

**IN THE CIRCUIT COURT OF COLE COUNTY  
STATE OF MISSOURI**

|                                       |   |                  |
|---------------------------------------|---|------------------|
| KEITH WENZEL, Director, Department of | ) |                  |
| Insurance, State of Missouri,         | ) |                  |
|                                       | ) |                  |
| Plaintiff,                            | ) |                  |
|                                       | ) | Case No. CV_____ |
| v.                                    | ) |                  |
|                                       | ) |                  |
| GENERAL AMERICAN MUTUAL               | ) |                  |
| HOLDING COMPANY, a Missouri           | ) |                  |
| mutual holding company,               | ) |                  |
|                                       | ) |                  |
| Defendant.                            | ) |                  |

**ORDER APPROVING CERTAIN MATTERS AS TO THE  
ACQUISITION OF GENAMERICA CORPORATION BY  
METROPOLITAN LIFE INSURANCE COMPANY**

This matter comes before the Court on the Rehabilitator's Emergency Motion for the Approval of Certain Matters as to the Acquisition of GenAmerica Corporation by Metropolitan Life Insurance Company. In connection therewith, the Court makes the following findings:

1. Defendant General American Mutual Holding Company, a Missouri mutual holding company ("GAMHC"), is in rehabilitation proceedings pending in this Court. Plaintiff Keith Wenzel, Director of the Department of Insurance for the State of Missouri, has been appointed statutory rehabilitator (the "Rehabilitator") pursuant to this Court's "Order (1) Placing General American Mutual Holding Company into Rehabilitation; and (2) Approving Notice of the Hearing to Approve Plan of Reorganization" ("Rehabilitation Order") entered as of this date.

2. The purpose of the rehabilitation proceeding is to permit the sale of the stock of GAMHC's wholly-owned subsidiary, GenAmerica Corporation ("GAC") to Metropolitan Life Insurance Company, a New York mutual life insurance company ("MetLife"), pursuant to that certain Stock Purchase Agreement entered into by and between GAMHC and MetLife dated as of August 26, 1999, as amended (the "Stock Purchase Agreement").

3. GAMHC and its advisors engaged in an auction process to identify a potential buyer of such stock under the supervision of the Director, acting as administrative supervisor of General American Life Insurance Company ("GALIC"), a wholly-owned subsidiary of GAC. The purpose of the auction process was to select a duly organized, validly-existing life insurance company or holding company with sufficient financial strength to protect the interests of GALIC's policyholders, creditors and the insurance-buying public, and to provide for the distribution of the proceeds of such sale to the holders of certain claims and to the members of GAMHC.

4. As a result of the auction process, it was determined that MetLife was willing to make the highest and best offer for such stock. Thus, prior to the commencement -- but in anticipation -- of this rehabilitation proceeding, GAMHC entered into the Stock Purchase Agreement, which provides for the sale of the stock of GAC to MetLife, subject to appropriate approvals, including from this Court. GAC owns 100% of the stock of GALIC and various other subsidiaries, and owns, directly and indirectly, the majority of the stock of certain other subsidiaries. The sale of the stock of GAC will be consummated concurrently with the consummation of a plan of reorganization for GAMHC (the "Plan").

5. While the overall sale of the stock of GAC to MetLife requires approval of this Court on notice to the affected parties, certain provisions of the Stock Purchase Agreement

require immediate consideration by the Court. These include the interim relief that MetLife is providing to support certain aspects of the business of GALIC, and a termination fee to be paid to MetLife in the event there is a superior bid for the stock of GAC. Specifically, as to the interim relief, MetLife has agreed to provide cash on a date certain or exchange contracts for holders of in excess of \$5 billion in funding agreements, and is formulating a plan to support certain of GALIC's new and existing life insurance policies. In addition, the Stock Purchase Agreement provides that GAMHC (whose rights, pursuant to the Rehabilitation Order, are now exercisable by the Rehabilitator) may terminate the Stock Purchase Agreement if an alternative purchase proposal is made that GAMHC's directors conclude their fiduciary duties require them to accept. If the Stock Purchase Agreement is terminated in accordance with that provision, then GAMHC is required to pay MetLife \$50 million.

6. The Stock Purchase Agreement specifies no means by which competing bids may be presented, no deadlines for their presentation and no criteria by which they are to be evaluated. The absence of any specific criteria or deadlines gives rise to the possibility that there may be interposed overbids at any time, on any number of bases, supported by any amount of information-- all of which could give rise to prospective litigation over the potential terms of any overbid and over the payment of the termination fee to MetLife. Such litigation and lack of definition concerning the overbid procedures, in addition to potentially causing significant delay and expense, could also threaten the business of GALIC and certain other subsidiaries. Prolonged litigation over the ownership of GAC could destabilize the agency network upon which GALIC's business largely depends and undermine confidence by policyholders, potentially leading to surrenders and a slowdown in the origination of new business which, in each case, could threaten

GALIC's viability. Moreover, absent the assurance that it would be paid its termination fee in the event of an overbid, MetLife would not be willing to extend the interim protections that are critical to the survival of GALIC's business.

7. Accordingly, having determined that exigent circumstances exist that support entry of this Order on an emergency basis and that the Court has the jurisdiction and the authority to approve the affirmance of executory contracts and to structure the means by which overbids must be presented for consideration, having been presented with stipulated facts by the Rehabilitator, GAMHC and MetLife that support the Court's findings, and good reason being found therefor,

IT IS HEREBY ORDERED, ADJUDGED and DECREED as follows:

1. The following provisions of the Stock Purchase Agreement are hereby affirmed and approved and the obligations of GAMHC and MetLife therein made fully binding and enforceable: (i) Articles VII, XI and XII (with the exception of Section 12.10), (ii) Sections 6.2, 6.3 and 6.4(c), and (iii) with respect to each of the foregoing, any related definitions. This approval and affirmance does not constitute an approval of the sale contemplated by the Stock Purchase Agreement, and does not constitute the approval or order of the Court required under Section 9.2(d) of the Stock Purchase Agreement. Nothing herein is intended to modify or diminish any of the conditions to MetLife's obligations to effect the Closing, as set forth in Section 9.1 or 9.3 of the Stock Purchase Agreement, including requirements as to the accuracy of or compliance with representations, warranties or covenants of GAMHC specified in the Stock Purchase Agreement;

2. The Rehabilitator shall not, and shall direct and use all reasonable efforts to cause his special deputies, employees, agents and attorneys not to, directly or indirectly, and GAMHC shall not, and shall direct and use commercially reasonable efforts to cause its subsidiaries, and each of their respective officers, directors, employees, agents, advisors or other representatives (each, a "Representative") not to, directly or indirectly, (i) solicit, initiate or knowingly encourage the submission of any Proposal (as defined below), (ii) participate in any discussions or negotiations regarding, or furnish to any Person any non-public information with respect to, any Proposal or Alternative Transaction (as defined below), other than with MetLife; provided, however, that if the Rehabilitator receives an unsolicited Proposal with respect to a Control Transaction (as defined below), he may participate in discussions or negotiations concerning such Proposal or furnish (pursuant to a confidentiality agreement in customary form) such information in response to such Proposal or, subject to paragraph 4 of this Order, authorize, engage in or enter into any agreement with respect to such Control Transaction. The Rehabilitator will advise MetLife of, and communicate to MetLife the terms of, any Proposal that GAMHC or the Rehabilitator or any of GAMHC's wholly-owned subsidiaries or any of their respective Representatives, or, if known by GAC, any of the subsidiaries that are not wholly-owned, may receive, except as otherwise provided in the Stock Purchase Agreement;

3. For purposes of this Order: (i) "Proposal" means any written proposal or offer from any person relating to an Alternative Transaction; (ii) "Alternative Transaction" means any (A) direct or indirect acquisition or purchase of any equity securities of, or other equity interest in, GAC or any of its subsidiaries that if consummated would result in any person beneficially owning (or having the right to acquire) 10 percent or more of any class of equity securities of, or the

equity interest in GAC or any of its subsidiaries or which would require approval under any federal, state or local law, rule, regulation or order governing or relating to the current or contemplated operations of GAC or any of its subsidiaries, (B) merger, consolidation, business combination, sale of a material portion of the property or assets (including, without limitation, by means of any reinsurance or renewal rights transaction), liquidation, dissolution or similar transaction involving GAC or any of its subsidiaries, or (C) other transaction the consummation of which would reasonably be expected to impede, interfere with, prevent or materially delay the transactions with MetLife contemplated by the Stock Purchase Agreement or which would reasonably be expected to dilute the benefits of such transactions to MetLife; and (iii) "Control Transaction" means any transaction that involves (A) merger or consolidation or similar business combination involving GAC or a significant subsidiary of GAC, (B) sale of all or substantially all of the assets of GAC, or (C) sale or issuance of the aforementioned stock or other equity securities of GAC to a person which, following the completion of such sale or issuance, will beneficially own such stock or other equity securities of GAC representing a majority of the voting power with respect to the election of the directors of GAC;

4. Subject to paragraph 5 of this Order, the Rehabilitator may terminate the Stock Purchase Agreement upon five days' prior written notice to MetLife if, as a result of a Proposal with respect to a Control Transaction by a party other than MetLife or any of its affiliates, the Director directs that GAMHC terminate the Stock Purchase Agreement or if the Court approves a Control Transaction other than with MetLife in accordance with paragraph 12 hereof;

5. GAMHC shall (i) pay MetLife a fee of \$50,000,000, which amount shall be payable in cash by wire transfer of immediately available funds, within one business day following

any termination of the Stock Purchase Agreement by GAMHC pursuant to paragraph 4 of this Order, and (ii) shall cause GALIC to make any further payments to MetLife required under Section 7.1(c)(1) of the Stock Purchase Agreement;

6. Any overbid (an "Overbid") (i) shall be made in writing; (ii) shall be delivered so as to be received by counsel for the Rehabilitator, GALIC and MetLife (at the addresses set forth below) no later than 5:00 p.m. Central Daylight Time on October 27, 1999; (iii) shall be accompanied by evidence that the Proposal constitutes a Qualifying Competing Proposal (as defined below); (iv) shall be accompanied by a deposit of \$5,000,000 in immediately-available funds to be held by the Rehabilitator pending the outcome of the Plan Confirmation Hearing (of which the lesser of (x) \$1,000,000, or (y) the amount determined by the Court to be the Rehabilitator's actual costs and expenses incurred in analyzing such Overbid shall be non-refundable); and (v) shall be accompanied by a markup of the Stock Purchase Agreement that the overbidder would execute if it were the successful bidder, such markup to contain only modifications to the financial terms of the Stock Purchase Agreement (other than as may be required to reflect the different buyer). All Overbids shall be final in the form submitted and shall not be subject to further increase or change;

7. A Qualifying Competing Proposal is a Proposal for a Control Transaction that (i) provides for cash purchase price consideration payable at closing that is not less than \$100,000,000 greater than contemplated under the Stock Purchase Agreement with MetLife (the "Overbid Purchase Price"); (ii) contains other terms and conditions identical (except for financial terms and other than as may be required to reflect the different buyer) to those set forth in the Stock Purchase Agreement; (iii) is made by an entity that (x) is financially qualified to

consummate the Proposal without any contingency pertaining to third-party financing, (y) is capable of operating the acquired businesses on a financially viable basis, and (z) has received a rating from a nationally-recognized statistical rating organization which the Director deems appropriate, after giving effect to the expected effect of the transaction contemplated by the Qualifying Competing Proposal, for the owner of a life insurance company operating in Missouri (for example, a financial condition rating of at least "Excellent" from A.M. Best Company, Inc., or at least an "A+ claims-paying ability" rating from Standard & Poor's Ratings Group would probably be necessary to be deemed appropriate); (iv) is made no later than the last day for making Overbids, as described above; and (v) provides for a capital contribution to GALIC equal to the amounts paid or to be paid to MetLife pursuant to Section 6.20 of the Stock Purchase Agreement;

8. Not later than November 3, 1999, the Rehabilitator shall file recommendations regarding any Overbids received in accordance with the preceding paragraphs with this Court (together with such other information as the Rehabilitator deems necessary or appropriate) and shall deliver copies of the same to MetLife. The recommendations shall address, among other things, the aggregate consideration offered, the bidder's ability to timely close the Proposal, and whether such Proposal is an Overbid and a Qualifying Competing Proposal. The Rehabilitator shall not recommend or accept any Proposal which is not a Qualifying Competing Proposal. Any response by MetLife to the Rehabilitator's recommendations shall be served on counsel listed in paragraph 14 hereof and filed with the Court, in each case so as to be received no later than November 8, 1999 at 12:00 p.m., Central Standard Time;



9. If there are one or more Overbids, MetLife shall be permitted to make a counterbid at or prior to the hearing to approve the sale and the Reorganization Plan, described below. To be considered, such counterbid shall be in an amount at least equal to the highest Overbid Purchase Price of a Qualifying Competing Proposal less \$45,000,000, payable in cash at closing;

10. If there is an Overbid and the sale approved is to a bidder other than MetLife, then MetLife shall be entitled to \$50,000,000 in accordance with the Stock Purchase Agreement, and any further payments required under Section 7.1(c)(i) of the Stock Purchase Agreement, as if GAMHC had terminated the Stock Purchase Agreement;

11. The hearing to consider the approval of the sale and the Stock Purchase Agreement and any matters pertaining to Overbids shall be November 10, 1999 commencing at 9:00 a.m., in the Courtroom of the Hon. Thomas J. Brown, Judge of the Circuit Court of Cole County, at 301 East High Street, Jefferson City, Missouri;

12. At the conclusion of the hearing, the Court, if it otherwise finds the sale to satisfy the statutory requirements, shall approve the sale in accordance with the foregoing procedures;

13. This Court shall retain jurisdiction of the rehabilitation and all related proceedings for all purposes including, without limitation, with respect to any petition pursuant to Mo. Rev. Stat. ' 375.1155 in connection with the administrative supervision of GALIC or in connection with the sale of GAMHC's stock in GAC; and

14. Any notice required hereunder to be provided to the Rehabilitator, GALIC or MetLife pursuant to this Order shall be served on the following persons:

General American Mutual Holding Company Missouri Department of Insurance  
700 Market Street  
St. Louis, MO 63101  
Att'n: Robert Banstetter  
Facsimile: (314) 444-0510

Harry S Truman State Office Building  
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301 West High Street  
Jefferson City, MO 65102  
Att'n: Eric A. Martin, General Counsel  
Facsimile: (573) 526-5492

Sidley & Austin  
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Att'n: Richard G. Clemens  
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Att'n: Thomas E. Patterson  
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Facsimile: (212) 578-3916

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Att'n: Lewis E. Melahn  
Facsimile (573) 635-9004

So ordered this 17th day of September, 1999 at Jefferson City, Missouri.

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Thomas J. Brown III, Judge

